

Retiree Activities Office

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RAO Newsletter # 101 - March 24, 2011 - MOAA Testifies on TRICARE Fees

MOAA Government Relations Director Col Steve Strobridge (USAF-Ret), was invited to offer MOAA's views at a March 16 House Armed Services Military Personnel Subcommittee hearing on DoD's proposal to raise TRICARE Prime enrollment fees by \$5 per month for a family and raise retail pharmacy copays by \$2 or \$3. No changes are proposed for TRICARE Standard or TRICARE For Life, and military disability (chapter 61) retirees and survivors would be exempt from the Prime fee increase. Co-pays would be eliminated for generic medications ordered through the mail-order pharmacy system.

Strobridge told the Subcommittee MOAA doesn't advocate that fees should never rise, but that DoD's past proposals to raise fees \$1,000 to \$2,000 a year failed to recognize the very large premium military people pre-pay for their health care through decades of service and sacrifice.

"We're encouraged the new DoD proposal does a far better job of acknowledging that than did the proposals of several years ago," Strobridge said. "Our principal objection is to the DoD plan to index future TRICARE Prime fee increases to some undetermined health care index that they project to rise at 6.2% per year." (See [MOAA's chart](#) showing how this would grow fees dramatically over time, vs. a COLA-based index.)

(http://www.moaa.org/action/lac_issues/lac_issues_update/lac_issues_update_110225.htm)

He asserted current law leaves too much about the fee-setting process to the Defense Department's discretion. DoD went years proposing no changes - making beneficiaries believe there wouldn't be any - and then a new Secretary proposed tripling the fees, which upset beneficiaries and implied they hadn't earned their health care.

We have statutory guidelines for setting and adjusting basic pay, retired pay, survivor benefits and most other compensation elements. We believe strongly the

law should specify several principles on military health care," Strobridge told legislators.

"First, it should acknowledge... that the military retirement and health care package is the primary offset for the extraordinary demands and sacrifices inherent in a multi-decade military career."

"Second, it should acknowledge those decades of service and sacrifice constitutes a very large, pre-paid premium for their healthcare in retirement, over and above what they pay in cash."

"Finally, it should explicitly acknowledge that extraordinary, up-front premium in the adjustment process, by limiting the percentage growth in TRICARE fees in any year to the percentage growth in military retired pay."

Rep. Joe Heck (R-NV), a currently serving Army Reserve doctor, asked if "working age retirees" should be required to pay more if they use TRICARE. Strobridge said that raises an "irksome" point for retired members who were told throughout their careers that enduring 20-30 years of military service conditions would earn them lifetime health care.

"No retention officer or NCO ever qualified that with 'except if you take a civilian job'," Strobridge said. "That's why we want something in law specifying that service constitutes a large pre-paid premium that civilians don't have to pay. We want to make sure the value of those decades of service and sacrifice continues to be recognized - and isn't dismissed - once it's completed."

Rep. Niki Tsongas (D-MA) asked whether fees should be different for different retirees, based on the amount of their retired pay.

Strobridge said no, noting that health care is an earned benefit, not a need-based program. "Once you start talking about ability to pay, you inevitably start looking at last year's family income on your tax return, because retired pay alone doesn't tell anyone's full income story." Federal civilian and legislators' health plans and the vast majority of civilian health plans aren't means-tested, and military health care shouldn't be either, he said. The service and sacrifice itself constitutes the bulk of the military premium, he reiterated, and that's the same for all grades. (Source MOAA - <http://www.moaa.org/>)